

PROPOSAL EVALUATION

Proposition 1E Integrated Regional Water Management (IRWM) Grant Program Stormwater Flood Management Grant, Round 2, 2012-2013

Applicant	Santa Margarita Water District	Amount Requested	\$20,000,000
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Proposal Title	Ortega Reservoir Project	Total Proposal Cost	\$43,625,000
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PROJECT SUMMARY

The project is located in a rural area in the southern portion of Orange County, south of Ortega Highway (Highway 74). The project constructs a 5,300 acre-foot recycled water storage reservoir which will provide seasonal storage for the Santa Margarita Water District's (SMWD) existing and proposed recycled water system. The project will include construction of a 156 foot high main dam, a saddle dam, inlet and outlet structures, a stilling basin beneath the outlet structure, a new road around the proposed reservoir, and installation of water treatment systems to address water quality issues in the reservoir. In addition, a new pump station and transmission pipeline will be installed at the Chiquita Water Reclamation Plant (CWRP) to pump tertiary treated sewage water from the CWRP to the proposed reservoir.

PROPOSAL SCORE

Criteria	Score/ Max. Possible	Criteria	Score/ Max. Possible
Work Plan	6/15	Technical Justification	2/10
Budget	1/5		
Schedule	4/5	Benefits and Cost Analysis	12/30
Monitoring, Assessment, and Performance Measures	2/5	Program Preferences	3/10
Total Score (max. possible = 80)			30

EVALUATION SUMMARY

WORK PLAN

The criterion is marginally addressed and documentation is incomplete or insufficient. The tasks listed in the work plan do not possess adequate detail and completeness to ensure that the proposal is ready for implementation. The applicant provides a list of previously completed planning documents but does not attach any of these documents to support the feasibility of the project. The narrative description of the proposed work includes a good general description of the Project; however, the individual task descriptions provide less not more detail. This is especially obvious with the provided descriptions for Tasks 10 (Permitting), 11 (Construction Contracting), 12 (Construction) and 13 (Environmental Compliance/Mitigation/Enhancement). For example, under Task 10, the proposal fails to mention the Division of Safety of Dams (DOSD) or the San Diego Regional Water Quality Control Board (SDRWQCB). Cooperation and interaction with

these two agencies is critical in obtaining permits necessary to construct the project. Finally, the applicant does not thoroughly document the deliverables. For example, the applicant lists “other deliverables as required” and “other documents as required”.

BUDGET

The criterion is minimally addressed and documentation is incomplete and insufficient. A summary budget is provided for the proposal, but a detailed budget showing costs broken down per task is not supplied. Because the applicant fails to breakdown the detailed budget to the task level it is not consistent with either the work plan or schedule. Also the applicant does not supply any documentation for the proposed costs. It is not possible to verify the costs are reasonable based upon the information provided.

SCHEDULE

The schedule is consistent with the work plan; however, a few of the time intervals supplied in the schedule are not reasonable. Time intervals shown for permitting appear to be inadequate in most cases. The schedule also shows quarterly reports will not be submitted until April 2015, well after the grant agreement would be signed. It does appear to be reasonable that the project will start construction by October 2014;

MONITORING, ASSESSMENT, AND PERFORMANCE MEASURES

The criterion is marginally addressed and documentation is incomplete or insufficient. It is unclear whether the measurement tools and methods offered will be effective in monitoring project performance and targeting progress. The performance measures listed do not offer specific quantifiable measurements that could be used to assess whether, at completion, the project will meet stated goals and objectives. Measurable targets for flood control are not provided. The applicant did note that the project would result in “massive reduction” in storm flow rate. The goals listed in the table in the monitoring, assessment, and performance section do not match the goals listed in the work plan. The Work Plan lists the project goals of enhancing downstream wetlands and riparian habitat but does not include these goals or discuss measurement tools or targets for these goals. Though the narrative section describes broad based monitoring efforts, and references other documents, nothing specific to this project is provided.

TECHNICAL JUSTIFICATION

The proposal does not include any supporting documentation to demonstrate the project is technically justified to achieve the claimed benefits. The attachment includes broad discussions on why the project is needed; however, in each case, the discussion does not provide information directly related to the project but rather talks about regional studies and regional concerns. No reports are attached nor are specific portions of the reports cited in the proposal. The only physical benefit clearly claimed in this section is “reduced importation of water” and although the applicant supplies a table for the claimed benefit no documentation is supplied to validate the claim. As a result, the physical benefits are not described well enough to demonstrate technical adequacy. Based upon the information provided in this attachment, and in the overall proposal, a flood damage reduction benefit could not be verified. Finally, the benefits claimed in the attachment are not consistent with the benefits claimed in the work plan or performance measures sections.

BENEFITS AND COST ANALYSIS

Collectively the proposal is likely to provide a medium to high level of benefits in relationship to cost, but the quality of the analysis or clear and complete documentation is lacking.

Based upon the information provided by the applicant, the net present value (NPV) of costs is \$38.655 million. Estimated Annual Damage reduction is worth about \$10 million, and water supply benefits \$44.62 million, in NPV terms. This

proposal lacks an adequate description of with and without-project conditions showing wastewater and recycled water production and disposition in both conditions over time. Therefore, the water supply benefits that are claimed cannot be confirmed.

PROGRAM PREFERENCES

The applicant claims that the proposal will achieve all 13 program and statewide preferences in the attachment. Through review of the narrative provided the proposal will accomplish, to a high degree of certainty, the following program preferences: Effectively integrate water management with land use planning, Drought Preparedness, and Use and Reuse Water More Efficiently.